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September 17, 2009

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Shuster Opposes Government Takeover of the Student Loan System

Washington, D.C. —**Congressman Bill Shuster** made the following statement today after opposing on H.R. 3221, the “Student Aid and Financial Responsibility Act:”

“In yet another attempt at yet another government takeover of a private enterprise, House Democrats passed legislation today that abolishes the longstanding and respected Federal Family Education Loan student loan program, replacing it with a government-run lending system directly controlled through the U.S. Treasury.

Over the past forty years, the Federal Family Education Loan (FFEL) program has provided countless young men and women the opportunity to pursue higher education with loans from private lenders. These services are delivered at very little cost to families struggling to provide their children with a college education.

A switch to a government-run lending program like the Student Aid and Financial Responsibility Act will be bad for students, bad for schools and bad for jobs. This new government-run program will provide the bare minimum in services to students and families, while adding layers of bureaucratic red-tape and stacks of paperwork to an already complex lending process.

“The parallels between this takeover of our student loan system and the Democrats’ plan for a government takeover of our health care system are striking,” Shuster said. “House Democrats and President Obama are taking away a program that benefits millions, to replace it with a so-called ‘public option’ that will leave families of college age children with zero options.”

The comparison begs for a closer look: The president and the Democrat leadership promise a ‘level-playing field’ with a government-run insurance plan, yet today they are moving to abolish the private student lending program that has benefited countless families and students.

“It is clear from today’s vote that a majority of the Democrats in the House are committed to increasing the size of the federal government regardless of what it could mean for America’s families,” Shuster added. “Bigger does not always mean better, and this holds true especially when it comes to government programs.”

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